

MINUTES OF THE AUDIT COMMITTEE
OF THE
CITY OF GREENSBORO

QUARTERLY MEETING

28 JULY 2011

The Audit Committee of the City of Greensboro met at 3:00 p.m. on the above date in the Legislative Conference Room of the Melvin Municipal Office Building, Second Floor, with the following members present: Mayor and Chairman William Knight, Councilmember Zack Matheny, Finance Director Rick Lusk, Director of Internal Audit Len Lucas, public member Art Winstead and City Manager Rashad Young. Absent: Councilmember Robbie Perkins. Also present were Deputy Finance Director Marlene Druga and Deputy City Clerk Diana Schreiber.

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Mayor Knight welcomed the committee members to the meeting and made a motion to approve the draft Audit Committee's minutes of April 28, 2011. The motion was seconded by Councilmember Matheny and adopted by voice vote of the Committee members.

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Mayor Knight made a motion to adopt the Audit Committee mission, charter and bylaws. The motion was seconded by Councilmember Matheny and adopted by voice vote of the Committee members.

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Mayor Knight introduced the Fiscal Year 2010-11 Audit Schedule.

Deputy Finance Director Marlene Druga spoke to the item; detailed the Fiscal Year 2011-12 Audit Schedule; stated that the auditors were in house examining the financial system's periodic closings, accrual postings and adjustments; the CAFR was scheduled for preparation between August 1 and September 30th; that staff was expected to deliver the completed draft of the Financial Statements to auditors by September 30th; stated auditors would be on-site until roughly mid-October and were expected to sign-off on statements and receive audit opinions by October 28th; auditors would submit an unbound copy of the CAFR to the Local Government Commission by October 31st; and the completed CAFR would be printed by December 1st and distributed the week of December 5th.

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Mayor Knight introduced the Internal Audit item consisting of Quarterly Reporting, Compliance reviews performed in Fiscal Year 2010-11 and the Fraud Hotline.

Len Lucas, Director Internal Audit Division, spoke to the item; reviewed the quarterly report of audited items; noted that assignments included the board/department/program monitored, completed/projected completion dates, scheduled or issue dates, and questions/comments of the review. The following categories were reviewed: 28 multi-family properties for compliance with loan agreements; reviewed items included shelter operations, community development, emergency assistance, and emergency shelter operation grants and Powell Bill fund programs; departmental audits/reviews focused on programs within various departments; the report included year-end, city-wide inventory of twenty-two sites and ARRA Stimulus Grants/Quarterly Reviews spanning 2010 thru 2011. Internal Audit conducted rotated audits of selected programs involving the following: Farmer's Market, Workforce Investment Act, EPA Brownfields' Clean-Up grants, International Civil Rights Museum grants, city petty cash reviews, surplus auction contract and various police, fire and transportation grants.

Mr. Lucas updated the Committee members regarding activities of the Internal Audit Department; stated that Internal Audit handled compliance reviews of city departments, outside agencies and organizations; reviewed the department's work plan and attached the 1st through 4th quarter Fiscal Year 2010-11 Audit Reports; explained

that the reports could be accessed and/or downloaded from the City's website at: www.greensboro-nc.gov/departments/Executive/audit.htm; and presented the Internal Audit Division Fiscal Year 2011-12 Work Plan consisting of mission, organizational goals, high level indicators, department objectives, strategies and performance measures.

It was the consensus of the Committee members that the Fraud Hotline was not necessary at this time due to established procedures in place to attend to complaints.

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Mayor Knight introduced the Financial Reports of the ABC Board's Fiscal Year 2011-12 Budget.

Mayor Knight stated that the ABC Board had provided its budget for Fiscal Year 2011-12 consisting of estimated revenues, appropriations, cost of sales, operating expenses, capital outlay, debt service/lease, total estimated expenses, distributions and total expense, distributions and reserve. In correspondence received from Fred McCormick, General Manager, it was stated that the budget was in the format required by the NC ABC Commission and that the budget ordinance had passed at the May 23, 2011 ABC Board meeting.

Mayor Knight stated that the ABC budget item could be placed on the Council's consent agenda at a future date.

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Mayor Knight noted that the next meeting of the Audit Committee was scheduled for Thursday, October 27 at 3 p.m. in the Legislative Conference Room, 2nd Floor of the MMOB.

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Mayor Knight stated there were no public speakers.

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Mayor Knight made a motion to adjourn. The motion was seconded by Councilmember Matheny and adopted by voice vote of the Committee members.

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The Audit Committee adjourned at 3:45 p.m.

DIANA SCHREIBER
DEPUTY CITY CLERK

WILLIAM KNIGHT
MAYOR & CHAIRMAN
